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# A model of social entrepreneurial discovery.

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# A Model of Social Entrepreneurial Discovery

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**ABSTRACT.** Social entrepreneurship activity continues to surge tremendously in market and economic systems around the world. Yet, social entrepreneurship theory and understanding lag far behind its practice. For instance, the nature of the entrepreneurial discovery phenomenon, a critical area of inquiry in general entrepreneurship theory, receives no attention in the specific context of social entrepreneurship. To address the gap, we conceptualize social entrepreneurial discovery based on an extension of corporate social responsibility into social entrepreneurship contexts. We develop a model that emphasizes mobilization and timing as underpinnings of social entrepreneurial discovery and offer distinct conceptual aspects and theoretic propositions instrumental to future social entrepreneurship research.

**KEY WORDS:** entrepreneurial discovery, opportunity, social entrepreneurship

It is widely acknowledged that social entrepreneurship is an effective mechanism for generating value in societal, economic, and environmental forms (Anheier and Themudo, 2002; Gendron, 1996, p. 37; Kolk, 2003). In recent years, commerce has increasingly transcended boundaries around the world, lowering barriers and forming linkages among cultural values, history, politics, national policies, social capital, and economics (Murphy et al., 2006; Roper and Cheney, 2005). Thus, entrepreneurial ventures have increasingly emphasized social and environmental resources as a means to emerge and grow rather than limiting themselves to just economic resources in standard sectors of industry (Peredo and Chrisman, 2006).

Enter the socially purposeful enterprise, which thrives in this dynamic context as a bona fide kind of entrepreneurial venture. In the UK, it is estimated that there are at least 500,000 innovative non-governmental organizations (NGOs) employing

more than 4% of the workforce and accounting for 3% of the gross national product. In the US, it has been reasoned that 1.6 million growing not-for-profit ventures employ 8% of the workforce and account for 7% of national income (Wong and Tang, 2007). Moreover, there are at least 400,000 NGOs in Russia, over a million in India, and the world's international NGOs have been estimated to number approximately 47,000 (Anheier, 2005). All of these social ventures, despite their variations in size, orientation, and objectives, derived from the discovery of a single novel opportunity to generate value. However, research and theory ignore social entrepreneurship's unique aspects or focus solely on traditional entrepreneurship settings (Eckhardt and Shane, 2003; Murphy et al., 2006). Therefore, notwithstanding the prevalence and uniqueness of social ventures, the nature of the opportunities that make them possible receives no explicit theoretic attention in traditional entrepreneurship research. In this article, we offer a conceptualization with promise for theory development and the information of public policy with respect to social entrepreneurial discovery.

Our basic position is that economic, environmental, and social resources converge and take on the potential for yielding viable social entrepreneurial opportunities when accompanied by mobilization about a relevant social purpose or cause. The importance of these three resource types, taken together, expands the means of social ventures to become viable. Whereas traditional ventures largely emphasize the generation of economic value, these other kinds of resources are sustainable development mainstays according to the World Health Organization (United Nations, 2005). They also reflect the triple bottom-line (Elkington, 1994). As we will show, the notion that their convergence covaries

with mobilization underlies a distinct conceptualization of social entrepreneurial discovery.

## Background and focus

We define social entrepreneurship as the creation and undertaking of a venture intended to promote a specific social purpose or cause in a context of mobilization. By *social purpose or cause*, we implicate an underlying range of basic values that are desirable and important in a civilized society. These values can include concepts, such as freedom, equality, and tolerance, which are germane to the quality of human life. These ideals are more basic than the many possible social purposes or causes intended to promote them. By *mobilization*, we refer to a specific, strongly shared orientation about a social purpose or cause, which can transcend the boundaries of a venture and subsume many constituents. Our definition extends the established notion of corporate social responsibility, which refers to business operations entailing policies, decisions, and operations that are desirable in terms of the values of society (Bowen, 1953). As our definition does not exclude ventures based on profit orientation, it also extends established capitalistic notions with an assumption that for-profit and not-for-profit operations are not mutually exclusive.

Historically, the study of entrepreneurship has lent itself to contributions from many research areas, which has sometimes led to a lack of theoretic focus (Murphy et al., 2006; Shane and Venkataraman, 2000). To establish clear boundaries in this article, we focus on social entrepreneurial discovery. In the traditional sense, entrepreneurial discovery is recognition of an emergence of circumstances allowing potential introduction of new goods, services, raw materials, markets, and/or means–ends relations into a market system as an organized venture intended to generate economic value (Casson, 1982; Eckhardt and Shane, 2003). Our definition of social entrepreneurial discovery is somewhat different. We define it as recognition of a convergence of social, economic, and environmental resources allowing potential introduction of new goods, services, raw materials, markets, and/or means–ends relations as an organized venture intended to generate social, economic, and/or environmental value amidst

circumstances of mobilization. As we will explain, the mobilization concept is a unique and important element of our model that accompanies the resource convergences underlying social entrepreneurial discoveries.

Though the ramifications of entrepreneurial opportunities lead to ancillary issues of the management, performance, operations, and strategies of social ventures, we do not emphasize those topics. We do not ponder the best management or marketing aspects of an operating social venture. Nor do we mull over the milieu of personal characteristics of social entrepreneurs. Those topic areas draw from a sundry mix of disciplinary frameworks from other areas that are outside the theoretic boundaries of our undertaking.

Social entrepreneurial opportunities can be derived from emergent needs or longstanding inefficiencies (Austin et al., 2006). They may herald novel ideas that direct attention to such needs, such as increasing noise pollution from new construction activity near elementary schools. They may also involve innovative solutions to inefficiencies in communities, such as annual spraying of pesticides near neighborhoods. They can be derived from new technologies, as in the case of web-based platforms for independent musicians to promote their work to large audiences. Social venture opportunities may also arise from complex environmental change, such as irresistible supply chains that make it impossible for rural farmers to conduct business and natural disasters, such as forest fires or tsunamis. Whereas traditional entrepreneurial discoveries also derive from needs and inefficiencies, social entrepreneurial discoveries are different in important ways.

Social and traditional entrepreneurial opportunities differ because the two forms of entrepreneurship have different objectives. Social entrepreneurship begins with the discovery of novel means to achieve constructive social change. Social purpose is embedded in it (Austin et al., 2006). Although social and traditional ventures both operate on cash flows and revenue streams, social ventures do not intend to maximize stakeholder economic value. Instead, they emphasize the value contribution to society, such as the reduction of financial illiteracy or promotion of care for the elderly. They thrive on mobilization and a wider range of resource contributions.

The economic value that they generate, when put to use endogenously, goes to the promotion of venture viability (Leadbetter, 1997). Whereas membership in traditional ventures may constitute an individual's career, membership in a social venture is quite often voluntary. Finally, social entrepreneurship integrates elements of the market and the state. Unlike the state or government institutions that usually pursue objectives similar to social ventures, the latter pursue those objectives independently via the market, without government bureaucracy (Berman and West, 1998). For these reasons, social entrepreneurship theory goes beyond the market-state dichotomy that has dominated policymaking and the domain of business studies for at least 100 years (Anheier, 2004).

Many entrepreneurship scholars insist that social entrepreneurship theory lags far behind social entrepreneurship practice (Austin et al., 2006; Campbell, 2007; Johnson, 2003; Tracey and Phillips, 2007). As we have noted in particular, the specific nature of social venture opportunities receives no attention, whereas traditional entrepreneurship research has zealously sought to explain opportunities for years (Bhave, 1994; Murphy et al., 2006). At best, general entrepreneurship research offers limited insight into social entrepreneurial discovery because it combines social and traditional entrepreneurship assumptions. We argue that research and theory that explicitly emphasizes the distinct aspects of social entrepreneurship will add unique heuristic value to the area of entrepreneurship research. In this spirit, we offer a conceptual model of social entrepreneurial discovery.

### **Social entrepreneurial discovery**

Entrepreneurship is concerned with the discovery, evaluation, and utilization of future goods and services (Venkataraman, 1997). Entrepreneurial activity does not always include creation of a new firm and does not require one individual to manage all of its aspects over time (Eckhardt and Shane, 2003). Entrepreneurship, whether traditional or social, begins with opportunities. The process entails growth: only few individuals participate initially, but a successful venture serves many individuals. Yet, no matter how an entrepreneurial venture grows, evolves, or dies, it always starts with a recognized opportunity. Opportunities are a unit of analysis

unique to entrepreneurship research. Some aspects of entrepreneurial opportunities are peculiar. For instance, they have an objectivity that can go above and beyond the subjective intentions of their discoverers (Murphy and Marvel, 2007). That feature is outside the boundaries of theory from economics (Baumol, 1993) and psychology (Low and Macmillan, 1988), which have both been used to explain entrepreneurial discovery. These limitations underline the need for distinct and novel directions in the area of entrepreneurship (Welsch, 2004).

Social entrepreneurship is part of the area of entrepreneurship but, because it differs from traditional entrepreneurship, social entrepreneurial discovery is different from traditional entrepreneurial discovery (Mair and Marti, 2006). Social ventures utilize different kinds of economic, environmental, and social resources in order to achieve a vast range of objectives (agriculture innovation, loans for foster youth, independent art promotion, waste management, eye care, and rural land reform: Ashoka, 2008; De la Porte et al., 2001; WCBSD, 2008). Research in this area is frustrated by a paucity of conceptual foundations (Austin et al., 2006).

### *Mobilization and timing*

Entrepreneurial discoveries are epiphenomenal events. They are more likely to occur via emergence than as outcomes of a process. Their emergent nature is a case of the right constellation of resources converging at the right time (Drucker, 1985, p. 111). We build on this logic in our conceptualization of social entrepreneurial discovery using concepts of mobilization and timing.

As noted earlier, mobilization is large-scale voluntary public support of a social purpose or cause. We regard it as a basic mechanism that brings social, economic, and environmental resources into convergence. Greater convergence of those resources facilitates social entrepreneurial discovery. For example, consider a social venture intending to offer alternative power solutions for residential communities. Required information for how to apply solar or wind technology comes from that venture's social resources, such as other firms specializing in the technologies. Those social resources facilitate the generation of value pertaining to lower environ-

mental impact because the other ventures make successful technological application possible. Concurrently, the necessary financial resources are also part of the convergence of social and environmental resources, because the constituents who will provide economic resources will only do so if the venture and its value proposition are feasible, and the other two resources are evidence of feasibility. As mobilization becomes more intense, the resources are more simultaneously procurable.

The escalation of mobilization touches the structure of a social entrepreneurial opportunity and is germane to its emergence and existence. The degree to which a constituency is willing to make active contributions to support a social value proposition is part of social entrepreneurial discovery. In this way, mobilization brings an array of resources to social entrepreneurs at the right time and fosters motivation among constituents (Johnson, 2003). Whereas potential customers of traditional ventures choose to support a venture based on a diverse range of personal reasons and particular circumstances, the reasons for the mobilization of a social venture's constituency are more homogenous and general because they stem from shared values.

Mobilization can transcend demographic shifts and policy changes. It has been described in terms of supporters being motivated to support a venture based on feelings of guilt and empowerment (Hibbert et al., 2005). Irrespective of the purpose of mobilization, the timing of the discovery is an additional aspect that is important to the opportunity. Because of the nature of evolving social systems, opportunities can be discovered too early or too late, which has an effect on the value that a venture must generate to achieve viability. Because mobilization and resource convergence are related, this temporal element is a natural part. Figure 1 presents the model, which is based on a functional relation between mobilization and timing.

Mobilization and timing apply to social entrepreneurial resources at the bottom of the model in unique ways. For instance, mobilization is useful for procuring economic resources because those resources are more liable to be forthcoming when many motivated people are interested in a social venture's success. Environmental resources are business enablers because mobilization promotes the need to safeguard and sustain those resources for future generations of

the constituency. Social resources, such as knowledge and information are germane to mobilization because they include social capital and networks, which serve as a kind of currency in social and economic contexts (Foa and Foa, 1974; Hayek, 1945).

Mobilization level is stochastic over time. The relation between mobilization and timing is negatively skewed in Figure 1, but this particular depiction is arbitrary. Indeed, the functional form could approximate almost any shape; it is stylized in Figure 1 for illustration. The model shows that opportunities are more viable when mobilization is higher, as in the case of opportunity 2, because it brings the nascent point closer to the performance criterion. In contrast, opportunities 1 or 3, which derive from discoveries that are too early or too late, do not feature the same level of resource convergence. Those social opportunities have mitigated promise because they require a level of endogenous value generation that can have a cannibalizing effect on a venture. The convergence of resources is greater as mobilization is higher, which allows a better platform for a social entrepreneurial venture to contribute value to its cause. In this way, the model also entails the established logic that convergence of the right resources at the right time is foundational to entrepreneurial discovery (Murphy and Marvel, 2007).

The notion of a performance criterion is important because it allows a clearer distinction between the opportunity and the venture. Conceptually, social ventures surpassing the performance criterion do not "operate at a loss" and are in a position to contribute value surpluses to its purpose, as with venture 2. Though we are concerned with opportunities in this article more than ventures, this notion of value contribution is present at the time the opportunity is discovered because it is part of the venture's purpose. Thus, the venture's organizational form provides the means for a viable opportunity to enter the real world and fulfill the intended objectives. Because ventures follow from opportunities in this way, as illustrated in the model, we now briefly describe some venture forms.

#### *Hybrid venture forms*

As the purposes of social ventures differ from those of traditional for-profit ventures, their venture forms

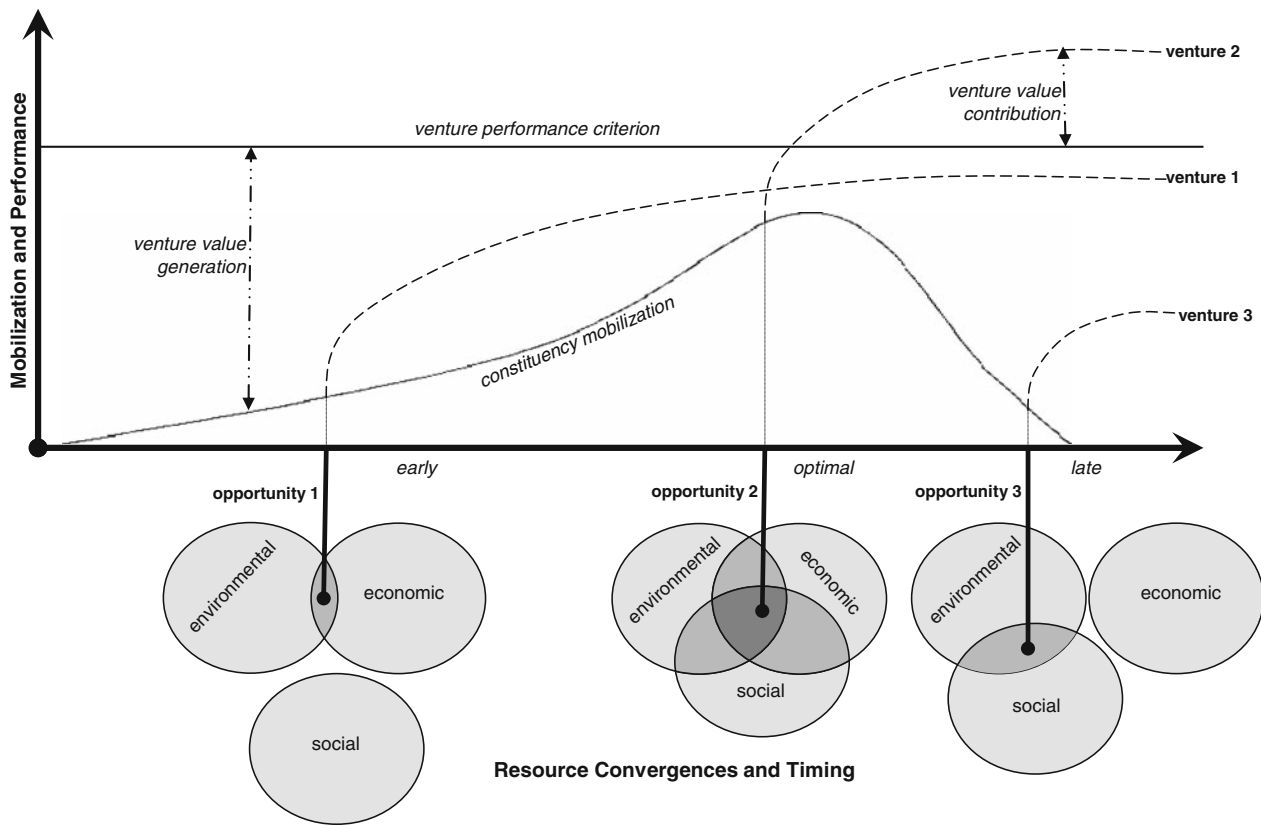


Figure 1. Social entrepreneurial discovery as mobilization, timing, and resource convergence.

can also differ. The literature explains that social ventures can operate in not-for-profit, for-profit, and hybrid forms (Johnson, 2003; Roper and Cheney, 2005). The first two forms are established conceptualizations, but the third one offers a novel reification of a social entrepreneurial discovery.

In most developed economies, not-for-profit ventures pursue objectives of private or public interest and their operations are largely non-commercial. They are usually socially oriented and have not-for-profit legal or tax status. As legal entities, they are tax-exempt and can possess cash and assets and generate profits, but they cannot issue stock or pay dividends to stakeholders. Regulatory guidelines govern the usage of their income. They usually have a range of revenue streams, such as service fees, donations from constituencies, government grants, and contracts. In contrast, for-profit ventures can be sole-proprietorships, partnerships, or public/private limited companies, and they intend to generate financial profits. Whereas social ventures tend to focus on long-term change and are not *owned*

in the traditional sense, viable for-profit ventures have exit plans and can be bought and sold via initial public offerings, management buyouts, and mergers or acquisitions with other firms. Socially conscious activity does occur in for-profit firms, but it is more common in not-for-profit firms.

The third type is the hybrid venture form. These ventures exhibit dual aspects of the former two. Their growing prevalence suggests that social purpose does not replace the importance of financial resources and that the two orientations are complementary. Hybrid social ventures can have for-profit objectives built into their strategies. Many hybrid ventures address social causes that strategically reinforce their for-profit operations (Mair and Marti, 2006). Hybrid ventures can achieve social objectives via innovative designs that are impossible for traditional for-profit ventures. For instance, they can benefit from economic resources, such as donated equity, which entails a for-profit firm investing cash or marketable securities in a not-for-profit venture. Donated equity generates an



innovative kind of economic resource in social entrepreneurship contexts that is distinct from operating revenue. In a donated equity context, cash is a tax-deductible donation and stock options are deductible once exercised. As large firms can deal with donated equity, these activities are another practical example of how social entrepreneurship extends corporate social responsibility (McWilliams and Siegel, 2001).

Hybrid venture forms follow easily from social entrepreneurial discoveries because they expand the market entry context. Unfortunately, generating financial revenue still seems antithetical to social venturing in modern business. The issue is that traditional performance measures do not value social ventures accurately and the measurement of social value has a long way to go (Sawhill and Williamson, 2001). We argue that an integrative conceptual solution lies in the continued conceptualization of hybrid venture forms as an application of social entrepreneurial discoveries. Hybrid ventures offer highly novel ways to convert traditional financial resources into social ones, especially when those resources are convergent in a setting where mobilization is high. Theoretic development along these lines fall outside our scope in this article on social entrepreneurial discovery, but it will be useful for distinct future directions in social entrepreneurship theory.

## Conceptual aspects

In this section, we summarize the distinct conceptual aspects of social entrepreneurial discovery that stem from our model. Table I digests the six distinct conceptual aspects of social entrepreneurship. The list is not exhaustive, and we expect future research

and theory to elaborate and expand these concepts. These specific notions distinguish social from traditional entrepreneurial discovery and are useful for theoretic positioning.

The first aspect pertains to the intended generation of value by social ventures. In social entrepreneurship contexts, value contributions are not easily reducible to the enrichment of one or few stakeholders, unlike in traditional entrepreneurship. Instead, generated value transfers more widely to a range of constituents, who may represent a large class of people or a community, and who may even take part directly in the value generation process (Peredo and Chrisman, 2006). Second, because of the level of commitment germane to high mobilization, customer satisfaction is not usually a critical area of focus in social ventures, unlike other entrepreneurial contexts. The individuals who stand to benefit from social ventures, especially if disadvantaged by limited options, do not have the luxury of choosing from among several similar ventures and comparing customer experiences at each one. The intended social change outcomes are more meaningful to those constituents (Johnson, 2003). Thus, when venture outcomes are not achieved, constituents are still likely to support the social venture, rather than to just abandon it. They are also more likely to tolerate negative customer experiences for the sake of the broader, long-term objectives.

Third, social ventures are usually intended to make lasting social changes. They do not aim for “quick hits” over a short life cycle followed by an entrepreneurial exit (Dees et al., 2001). The objectives they intend to achieve, such as the empowerment of the uneducated poor, are usually large-scale and not liable to change substantially. When a market segment is mobilized around such a cause, the effect relativizes the traditional notion of

TABLE I  
Conceptual aspects of social entrepreneurial discovery

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- |   |  |
|---|--|
| 1 | Promise of the opportunity is not always reducible to few stakeholders, but to a larger constituency |
| 2 | Social purpose or cause is at least as important as satisfaction of future customers or clients      |
| 3 | Intended long-term social change takes precedence over quick-hits and short timeframes               |
| 4 | Opportunities usually add value in niches targeted by large social sector institutions               |
| 5 | Social entrepreneurs have deep understanding of constituencies they serve                            |
| 6 | Passion and commitment transcend traditional venture boundaries                                      |
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“market pull” versus “technology push” because the market itself participates in the support and development of the venture. Thus, the offering of a social venture is usually more ready for market than high technology offerings, which undergo pre-market stages of innovation. Fourth, social sector or government organizations are the historic providers of large-scale social value. As noted, these institutions are bureaucratic and inefficient compared to small or medium-sized enterprises (Fowler, 2000). Thus, discoveries to generate social value may clash with the interests of national governments, which can create unique environmental barriers.

Fifth, social entrepreneurs frequently have an especially high understanding of the specific needs and values of the constituencies they assist (Catford, 1998). Many times a profound connection exists here because the social entrepreneur was (or is) a member of the same disadvantaged population. This aspect implies that social entrepreneurs possess specific knowledge and social resources that facilitate social entrepreneurial discovery. It also helps to distinguish the opportunity from the venture, because the same social linkages that underlie a novel discovery may come with subjective biases that hinder the emotional neutrality and objective management decisions required to grow a social venture. Figure 2 illustrates this distinct conceptual aspect. As we are emphasizing opportunities, not ventures, this distinction is noteworthy for circumscribing our conceptualization.

Finally, though clear vision and a spirit of mobilization help to make an opportunity viable, in social entrepreneurship contexts those elements can reflect very high levels of passion and emotion. Social entrepreneurial discoveries, for instance, usually accompany an exceedingly strong social justice orientation despite severely limited resources (Henton et al., 1997a, b). In what follows, we draw on these six conceptualizations and offer three theoretic propositions useful for formulating research questions in future research on social entrepreneurial discovery.

### **Theoretic propositions**

It is increasingly common for traditional for-profit firms to build a social purpose into what they do

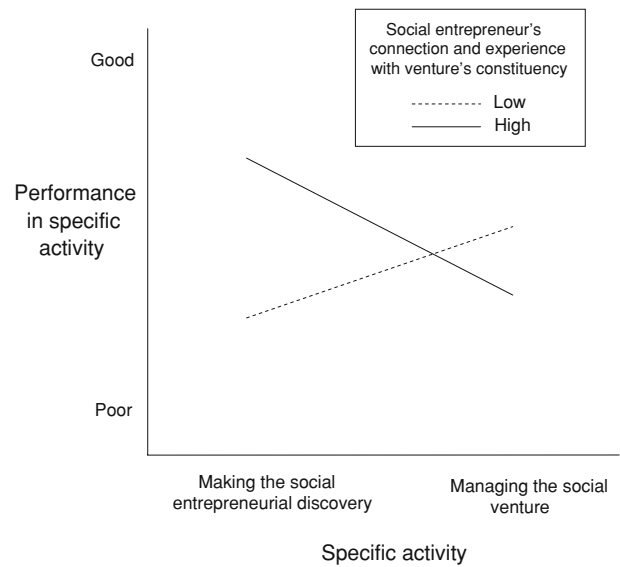


Figure 2. Social entrepreneurial discovery versus social entrepreneurial venture management.

strategically (Johnson, 2003). However, it has not yet been noted explicitly that many social ventures also have built-in finance-oriented operations, such as wholly owned for-profit subsidiaries (Fowler, 2000). To be sure, those operations may help a social venture survive. Entrepreneurial discoveries that balance social and economic objectives lead to alignment between those aspects (Peredo and Chrisman, 2006). As noted, hybrid ventures are growing in prevalence, yet how they effectively link different kinds of resources to generate value is unclear. Attempts to elaborate this relation have led to the development of formal measures of social value, such as the triple-bottom line, which are also useful for satisfying transparency expectations of donors to social ventures (Edelson, 2001). However, social venture value propositions are idiosyncratic and not measurable in traditional formats, which renders social ventures independent of the conventional price mechanisms that help standardize traditional stakeholder interests.

It is time to move beyond the view that financial and social value generation are necessarily at odds with one another. Although social ventures have different kinds of objectives than traditional ones, transactional linkages can exist between social purpose and making profit. Such linkages are suggested in the Dow Jones Sustainability Indexes, which



gauge and evaluate the environmental and social value generated by companies (Ceren and Dobers, 2001). Some for-profit companies examined by these indices thrive as they help social ventures become viable through alliances. Many companies do very well by generating social value for the common good. So much so, in fact, that some firms invest superficially in social purpose to increase their market value (Mackay et al., 2007), thus engaging in what has come to be known as “greenwashing.” It is worth noting that expansion in the social sector and overall growth of not-for-profit organizations increased by 31% in the 1990s, exceeding even the 26% growth rates in traditional entrepreneurship sectors amidst the dot-com boom (Austin et al., 2006). These surprising growth rates beg questions about why and how social purpose matters to traditional business.

The relation between what is socially responsible and economically viable is the need of theoretic elaboration. The difference has long been viewed as a continuum ranging from social to economic/financial (Austin et al., 2006; Davis, 1973). Although the two poles of the model are a forced tradeoff, the model holds that most social activity reflects some economic value, and most economic activity reflects some social value. We would prefer the elaboration of this oversimplified logic into a flexible  $2 \times 2$  conceptualization that allows concurrent roles for social and financial value. Perhaps the addition of environmental value as a third dimension, following from our model, would be even more appropriate.

Although the dual generation of financial and social resources is described in models of strategic management (Barney, 1991; McWilliams and Siegel, 2001; Pfeffer and Salancik, 1978), more specific theorizing in social entrepreneurship holds promise for explaining those social entrepreneurial discoveries to launch hybrid ventures that generate mutually reinforcing social and financial value. Explaining how social entrepreneurs recognize opportunities to undertake hybrid ventures is thus important to research and theory on social entrepreneurial discovery.

**Proposition 1:** Social entrepreneurial discoveries allow economic, social, and environmental resources to reinforce one another in novel ways.

Social entrepreneurial opportunities are often intended to serve the needs of a disadvantaged constituency in unfavorable circumstances. Sometimes these circumstances are embedded in a culture that is quite different from that of the social entrepreneur. In those cases, the viability of an opportunity may be hindered when its social purpose clashes with the values of the cultural environment of the constituency to be served (Cornwall, 1998). The generation of profit or financial rents, for instance, conflicts with cultural values in many parts of the world (Ashoka, 2008; Peterson, 1988). As noted in the introduction, entering different cultural contexts and crossing boundaries is common in social venturing. The range of novel activities involved with social entrepreneurship is thus wider because the inefficiency to be addressed is sometimes value-laden (Van Slyke and Newman, 2006). Therefore, considering the social purpose in the context of the values of the targeted environment is an important part of a viable social entrepreneurial discovery.

An alignment of values is detectable at the time of entrepreneurial discovery; before venture launch, when it is possible to consider whether the venture will clash with customs of a host environment. For example, a social entrepreneur who discovered an opportunity to launch a venture promoting gender equity in Africa noted potential value clashes pertaining to anti-disclosure and the legal system, which became part of the fabric of her discovery. Her venture eventually benefited from those early perceptions, which guided her recognition of the opportunity (Ashoka, 2006, p. 61). The relation between venture operations and a market can be critical in social entrepreneurship because a clash may go to the level of cultural values. Thus, making a social entrepreneurial discovery includes perceiving interrelations with the environmental context. Viability is promoted when meaningful alignment is recognized along with the opportunity.

**Proposition 2:** Relations between the social purpose and cause of a venture vis-à-vis the values of the environment in which it will operate are germane to the viability of a social entrepreneurial discovery.

Social ventures often generate opportunities for constituents to take action on behalf of their com-

munities (Shaw, 2004). Entrepreneurs have long been thought to be particularly alert to inefficiencies in social systems (Gaglio and Katz, 2001; Kirzner, 1973, p. 35). Such alertness derives from experience, special insights, skills, and aptitudes (Venkataraman, 1997). However, the idea of alertness applies to social entrepreneurs differently. Though any entrepreneur must be alert to make a discovery, the point of departure is that the value promised by a social entrepreneurial discovery applies to an exceptionally well-defined group, irrespective of that group's size (Peredo and Chrisman, 2006). This highly targeted value is part and parcel of mobilization and it renders social entrepreneurial opportunities more context-specific than traditional entrepreneurial opportunities. For example, a social venture promoting the education of single mothers to help them procure professional jobs or start businesses is obviously intended for a rather specific group. In contrast, a traditional venture offering a more general product or service will more often reach multiple groups.

The viability of a social entrepreneurial opportunity derives from tight linkages to specific, enduring aspects of its constituency (Weerawardena and Sullivan-Mort, 2001). In contrast, traditional entrepreneurial opportunities use marketing strategies to win future customers. The difference shows that social entrepreneurial discoveries more commonly imply inefficiencies that are more objective and usually guarantee a sufficient market size (Austin et al., 2006). If the existence of the inefficiency is not in question, the opportunity has less to do with whether an opportunity exists (Gaglio and Katz, 2001) and more to do with whether constituents choose to support it (Peredo, 2005). The logic again implies the importance of mobilization because constituents will support an opportunity when they are mobilized. This aspect is different from tradi-

tional entrepreneurship, where ventures often create their own markets (Déjean et al., 2004).

Proposition 3: Viable social entrepreneurial discoveries address inefficiencies that many individuals already recognize, whereas traditional entrepreneurial discoveries entail inefficiencies initially recognized by fewer individuals.

These theoretic propositions will be useful to future social entrepreneurial discovery research (Table II). Such research will lead to new findings useful to the practice of social entrepreneurship. We now discuss general implications of our overall contribution, new research questions based on those implications, and some observations for promoting social entrepreneurship research and theory.

## Implications and conclusion

Social entrepreneurship research is practical and relevant to modern commerce. Social entrepreneurs invest resources in the name of generating future returns. Like traditional entrepreneurs, many of them deal with customers, suppliers, barriers to entry, rivalry, and the issues of operations and economics (Oster, 1995). Yet, social entrepreneurs also explicitly recognize opportunities intended to generate different kinds of value to specific sectors of society (Kuratko, 2005). Their discoveries are epiphenomenal, similar to traditional entrepreneurial discoveries, but the intended outcomes occupy a wide range of types (e.g., reducing poverty, promoting education, or feeding the hungry).

Like entrepreneurship in general, resources are also scarce in social entrepreneurial contexts. Unlike other areas of business research, entrepreneurship research therefore emphasizes opportunities when it

TABLE II  
Social entrepreneurial discovery theoretic propositions

1	Social entrepreneurial discoveries allow economic, social, and environmental resources to reinforce one another in novel ways
2	Relations between the social purpose and cause of a venture vis-à-vis the values of the environment in which it will operate are germane to the viability of a social entrepreneurial discovery
3	Viable social entrepreneurial discoveries address inefficiencies that many mobilized individuals already recognize, whereas traditional entrepreneurial discoveries entail inefficiencies initially recognized by fewer individuals

comes to resources and their importance. We followed that logic in this article, with the qualification that opportunities are described better by a model that emphasizes how and why the right resources converge. Our model sheds light on this process based on mobilization and timing. It promises to serve as a useful foundation for future research.

We have also opened the way to some new questions. For example, does being from a particular community, and thereby knowing its needs very personally, make one more alert to social venture opportunities to serve that community? Whereas recent work suggests that social entrepreneurs who are members of a disadvantaged community do have incomparable insight into that community's needs, they may not always be able to procure the resources required to launch a social venture intended to address them (Peredo and Chrisman, 2006). We ask the additional question of whether or not they are always well prepared to manage and lead such a social venture. This question leads to additional ones about how to build successful management teams in social ventures. What kinds of human capital are most important, and in which positions? What kinds of unique value are added by members with complementary experiences and insights?

Some readers will not have easy access to entrepreneurship data or be familiar with the resources for social entrepreneurship research. We suggest university entrepreneurship centers as a venue for examining social entrepreneurs and conducting research on social entrepreneurial discovery. In the entrepreneurship center at one of our universities, one of the most active centers in the US, at least 15% of the affiliated entrepreneurial ventures have explicit social purposes embedded into their operations. In contrast to the for-profit affiliate ventures, the social ones seem more willing to share the message and purpose of what they do and why they do it in detail. Thus, if empirical social entrepreneurship research is limited because it is difficult to procure large data samples, rich social entrepreneurial discovery data can be procured for case studies (Shane, 2000) or grounded theory research (Fischer and Reuber, 2004; Suddaby, 2006).

To be sure, most successful social ventures will have developed since their foundation and will be less accessible with regard to studying the original discovery. Their founders will have fewer purviews

on the early stages. It is worth asking, how many of them have changed their initial conceptualization of the social venture opportunity substantially, and for what reasons? Does social purpose wane over time? If so, does it relate to waning mobilization? Engaging these questions would contribute to social entrepreneurship theory. The many nascent social ventures seeking assistance from entrepreneurship-oriented business schools and entrepreneurship centers offer a convenient data source to support the development of theory along these lines.

Our article contributes a conceptual model of social entrepreneurial discovery to social entrepreneurship theory. It extends the established notion of corporate social responsibility into the modern context of entrepreneurial discovery for the purpose of more clearly understanding the phenomenon. We hope it serves as prelude to a growing body of distinct theory and research seeking to explain the emergence and existence of social entrepreneurial opportunities.

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